

Canyon Fuel Company, LLC Skyline Mines

HC 35 Box 380 Helper, Utah 84526

(435) 448-6463 Fax: (435) 448-2632

June 21, 2001

Mr. Daron Haddock Utah Coal Program Utah Division of Oil, Gas & Mining 1594 West North Temple, Suite 1210 P. O. Box 145801 Salt Lake City, Utah 84114-5801

Re: Transfer of Dugout Canyon Mine Sediment Pond Sediment to the Banning Loadout

Dear Daron:

On June 1, 2001, Canyon Fuel Company, LLC (CFC) submitted amendments to the Dugout Canyon Mine and Banning Loadout Mining and Reclamation Plans (M&RP) to allow for the disposal of sediment from the Dugout Canyon mine sedimentation pond at the Banning Loadout. However, after discussions with members of your staff, we determined the initial submittal on the 1st of June was inadequate for our needs. Therefore, CFC respectfully requests to withdraw those permit amendments submitted to the Division on June 1, 2001. At this time, we would like to submit new permit modifications to the Dugout and Banning M&RPs to allow for the transfer to and storage of sediments from the Dugout Canyon Mine sedimentation pond at the Banning Loadout.

Five clean and redline-strikethrough copies of the modified pages of each M&RP have been included with this letter. A copy has been forwarded to Mr. Steve Demczak of the Division's Price office. The appropriate pages of text from each M&RP have been modified to allow for the storage and potential use of the materials as growth media during final reclamation of the loadout.

We would like to remove the sediment from the pond at Dugout Canyon Mine in the next few weeks. If you have any questions regarding these submittals, please call me at (435) 448-2669.

Sincerely.

Chris D. Hansen

Environmental Coordinator Canyon Fuel Company, LLC

CC:

Steve Demczak, Price Field Office Dave Spillman, CFC Dugout

enclosures

APPLICATION FOR PERMIT PROCESSING									
Permit Cha	inge X	New Permit □	Renewal □	Transfer □	Exploration	Bond Release □	Permit Number: ACT/007/039		
Title of l	Title of Proposal: Modifications to Allow for Disposal of Pond Sediment at Banning Mine: Dugout Canyon								
	Loadout, Second Submittal. Permittee: CANYON FUEL CO., LLC								
Description, in	nclude reason fo	or application and timing r	required to implement:	Dugout Mine is	planning to clean it	s sediment nond early			
Description, include reason for application and timing required to implement: Dugout Mine is planning to clean its sediment pond early this summer (end of June) and needs a location to store the sediment. The second submittal is to remove the application to pump water into abandoned underground works.									
Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Saltake Office. Otherwise, you may submit it to your reclamation specialist.									
□ Yes	x No	1. Change in the size of the Permit Area? acres Disturbed Area? acres □ increase □ decrease.							
□ Yes	x No	2. Is the applic	2. Is the application submitted as a result of a Division Order? DO #						
□ Yes	x No	3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area?							
□ Yes	x No	4. Does applic	4. Does application include operations in hydrologic basins other than as currently approved?						
□ Yes	x No	5. Does applic	5. Does application result from cancellation, reduction or increase of insurance or reclamation bond?						
□ Yes	x No	6. Does the ap	6. Does the application require or include public notice/publication?						
□ Yes	x No	7. Does the ap	7. Does the application require or include ownership, control, right-of-entry, or compliance information?						
□ Yes	x No	8. Is proposed	activity within	100 feet of a pu	blic road or cem	etery or 300 feet of a	n occupied dwelling?		
□ Yes	x No	9. Is the application submitted as a result of a Violation? NOV #							
□ Yes	x No	10. Is the application submitted as a result of other laws or regulations or policies? Explain:							
□ Yes	x No	11. Does the ap	11. Does the application affect the surface landowner or change the post mining land use?						
□ Yes	x No	12. Does the application require or include underground design or mine sequence and timing? (Modification of R2P2?)							
□ Yes -	x No	13. Does the application require or include collection and reporting of any baseline information?							
□ Yes	x No	14. Could the application have any effect on wildlife or vegetation outside the current disturbed area?							
□ Yes	x No	15. Does application require or include soil removal, storage or placement?							
□ Yes	x No	16. Does the application require or include vegetation monitoring, removal or revegetation activities?							
□ Yes	x No	17. Does the application require or include construction, modification, or removal of surface facilities?							
x Yes	□ No	18. Does the application require or include water monitoring, sediment or drainage control measures?							
□ Yes	x No	19. Does the application require or include certified designs, maps, or calculations?							
□ Yes	x No	20. Does the application require or include subsidence control or monitoring?							
□ Yes	x No	21. Have reclamation costs for bonding been provided for?							
□ Yes	x No	22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream?							
□ Yes	es x No 23. Does the application affect permits issued by other agencies or permits issued to other entities?								
□ Attach	_5_ comp	plete copies of th	e application.						
I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations, herein (R645-301-123) **W. Observation - Date** Signed - Name - Position - Date** Received by Oil, Gas & Mining** Received by Oil, Gas & Mining*									
Subscribed and sworm to before me this 13 day of Tune To 2001									

My Commission Expires:

Notary Public 12-15-02

My Commission Expires:

Notary Public 12-15-02

PRICE, UTAH 84501

COMM. EXP. 12-15-2002

ASSIGNED TRACKING NUMBER

Application for Permit Processing Detailed Schedule of Changes to the MRP

Title of Application:	Modifications to Allow for Disposal of Pond Sediment from Dugout Canyon Mine at Banning
Loadout	

Permit Number: ACT/007/039

Mine: Dugout Canyon Mine

Permittee: CANYON FUEL CO., LLC

Provide a detailed listing of all changes to the mining and reclamation plan which will be required as a result of this proposed permit application. Individually list all maps and drawings which are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise the existing mining and reclamation plan. Include page, section and drawing numbers as part of the description.

			DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED
□ ADD	X REPLACE	□ REMOVE	Replace Page 5-36 in Chapter 5
□ ADD	X REPLACE	□ REMOVE	Replace Pages 7-64 and 7- 79
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Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?